THE DECEMBER 1973
SIGNALMAN'S JOURNAL

OFFICIAL PUBLICATION BROTHERHOOD OF RAILROAD SIGNALMEN
Robert W. McKnight, Editor and Manager
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Seasons Greetings To Our Members And Friends

Once again as we approach the Holiday Season and the celebration of the birth of Christ, your Grand Lodge Officers extend to each of our Brotherhood's members and their families, a most sincere wish that the joy and happiness of Christmas and the hope of the New Year will remain with you, not only during this holiday season, but always.

We wish that each of you enjoy the peace and contentment of your home on this the most joyful Holiday of the year. Our deepest hope is that understanding, good will and peace will prevail throughout this world.

We want to express our sincere appreciation for the part you have played in making our Brotherhood what it is today. We will always do our best to justify your faith in us, and in our ability to serve you well.

We take this opportunity, therefore, to wish you and your loved ones happiness, good health and prosperity during the coming year.

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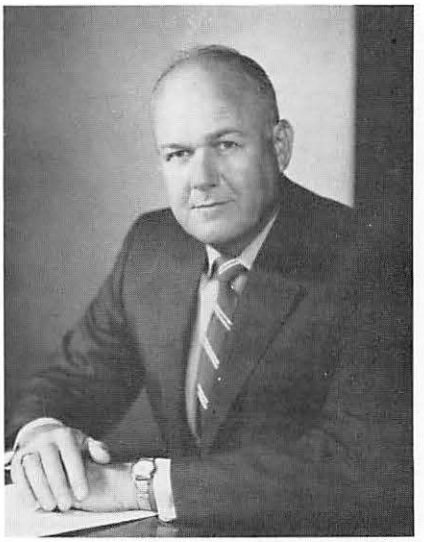
Chamberlain's Message

Be alert to signal changes



It is no secret that railroads are continually making changes in their signal systems, and you, our members, are of course involved in making those changes. Fortunately, most of the changes involve new systems or additions to existing ones, however some Carriers, especially those in bankruptcy and certain others are attempting to remove signal systems in total or in part, wherever possible, under the guise that such changes, which for the most part revert back to manual block, train order system of operation, give them flexibility of operation. We must be concerned about the removal of signaling which in any way adversely affects safety. There will be those who will say our interests are only personal because it reduces the amount of our work, and in the long run could impair our job security. While this is certainly true to an extent, the overriding factor is that we happen to work in an industry that the nation needs now more than ever, particularly because of the energy crisis, and unquestionably the railroads will be called upon to handle more traffic both passenger and freight. Piggyback loadings continue to rise, and if the comments of some governmental officials are any indication of the future, the railroads, as the most efficient user of diesel fuel, will be carrying more highway trailers than ever.

Accordingly, in the interest of making our railroads the safest, most efficient form of transportation in the United States, I have written the following letter to Secretary of Transportation Claude S. Brinegar asking him to request the Office of Safety of the Federal Railroad Administration to place a moratorium on considering or approving any application from railroads in the Northeast corridor or other areas of the country that would in any way remove signal systems in total or in part, or any application that would in any way reduce or modify any existing signal system that will affect the safety of train operation.

"Dear Sir:

While we are confident that favorable Northeast railroad legislation will be passed in the very near future, the rail lines that will be kept as a core system have not as yet been determined.

Accordingly, I am asking you to request the Office of Safety of the Federal Railroad Administration to place a moratorium on considering or approving any applications from railroads in the Northeast corridor that would in any way remove signal systems in total or in part, or any application that would in any way reduce or modify any existing signal system that will affect the safety of train operation.

It is my considered judgment that this moratorium on signal changes or modifications because of the current energy crisis, should apply to all railroads in the United States.

During the coming months and years railroads will be called upon to handle increased traffic and there will be a considerable increase in traffic density on already heavily traveled main lines. Surely this is no time to reduce the effectiveness of signal systems.

Just to cite one example of how signaling can improve train operation; the installation of centralized traffic control can save one minute per mile for freight trains traveling on a line as compared to their operation over the same line previously being operated under time-table and train orders.

It is extremely imperative that the American railroads should not be permitted to reduce their signal systems during this energy crisis, and most certainly in areas where final determination of rail lines has not as yet been made.

Your cooperation in this matter will be appreciated."

With respect to the Northeast corridor—although legislation is about to be completed, the rail lines that will be kept as a core system have not as yet been determined. Therefore it would be imprudent to remove signal systems now from lines that may later be determined as necessary ingredients in a core system.

As individuals here are some of the things we all can do to assure that effective signal systems are maintained on the railroads.

(1) Be alert to any discussions by supervisors or any signal department official about proposed changes in signal systems.

(2) Talk to train crew members because they are usually informed about changes in operating practices.

(3) Keep informed about what is printed in company bulletins, timetable changes, special orders, etc.

(4) Establish dialogue with dispatchers. Many times they may be aware of possible signal changes being considered before the field forces hear about them.

Once you learn of proposed changes, get all the facts about them that you can, then let your local chairman or Grand Lodge know about them.

Chamberlain's Message: Be alert to signal changes

(continued)

Also, I urge that you write your Representative and Senators about this matter, suggesting to them that in the interests of safety of operations, railroads not be granted permission to remove or reduce the amount of signaling in service.

This should not be a one-shot campaign just because of the Northeast rail situation or the energy crisis. We should always be alert to see that railroads keep their signal systems up-to-date, and in proper operating condition at all times.

You can help, not only yourselves, but railroad safety as well by observing where additional or new signaling could benefit. Your suggestions as to where signaling should be installed to improve safety should be brought to the attention of your supervisor, local chairman and Grand Lodge. Generally speaking, we should be as good or even better signal salesmen than the manufacturers or signal engineers.

As we have often stated, signal employes are engaged in performing a most important function for the nation's railroads; in fact in my judgment it ranks second to none.

Accordingly, it behooves each one of us to speak out on this subject as no group of railroad employes can speak with greater authority than those of us who know the value and importance of the signal systems in making the railroad industry the safest, most economical and reliable form of mass transportation in the United States and Canada.

Bates reports on finances

The fiscal year of the Brotherhood of Railroad Signalmen ended on June 30, 1973, and the Grand Board of Trustees have caused the records of the Secretary-Treasurer of Grand Lodge to be audited as required by Section 61 of Article I of our Constitution. The certified public accounting firm of Brabenec, Yasus, Tague and Company were employed to conduct the audit and on October 4, 1973 a copy of the report was mailed to all Recording Secretaries.

In an effort to keep our individual members informed of the financial condition of Grand Lodge the annual audit report is reproduced in the following pages. During the period covered by this report many changes have taken place directly affecting our Brotherhood and each of us as individuals.

In November of 1972 construction began on our new headquarters building and at the end of the report period the building was near completion. The Grand Lodge headquarters was physically moved on August 3, 1973, one week after the last day of our 1973 Convention.

As indicated in the report, operating expenses from our General Fund were $827,307.54 during the fiscal year ending June 30, 1973. Income to the General Fund during the same period was $766,514.48.

The inflationary spiral of our entire economy is reflected throughout this report when comparison is made with the 1972 fiscal year audit. Expenditures for nearly all items have increased substantially.

On January 2, 1973 notice was served on most United States carriers for increases in rate of pay and fringe benefits. On April 27, 1973 an agreement was signed disposing of the notice, and a part of the agreement resulted in legislation by the U. S. Congress to amend the Railroad Retirement Act by removing that amount of Railroad Retirement Tax which exceeds the amount paid by employes covered by the Social Security System from railroad employes effective October 1, 1973. The legislation also extended the temporary increases in railroad retirement annuities of 1970, 1971 and 1972 due to expire June 30, 1973, to December 31, 1974. During the fiscal year we participated in seminars throughout the United States in an effort to better inform all railroad employes of the necessity for a restructuring of the Railroad Retirement System. The above referred to legislation also provides that a joint committee of railroad labor and railroad management will meet in an effort to find ways and means to insure the continued financial solvency of the Railroad Retirement System. We are continuing as an active participant on that committee.

The financial crisis facing the bankrupt railroads in the Northeastern part of our country is a matter of much concern to our Brotherhood, and it has been necessary for us to expend a lot of effort to insure the job security of our members working for those carriers. Several of the bankrupt carriers did not agree to the wage and fringe benefit agreement dated April 27, 1973, and we must continue to press for an agreement which will secure the wage and fringe benefits for those members employed by the bankrupt carriers.

The Contingent Fund balance increased from $303,924.52 on June 30, 1972, to $360,226.59 on June 30, 1973. During the report period a total of $22,421.31 in strike benefits were paid to our members em-

BROTHERHOOD OF RAILROAD SIGNALMEN

JUNE 30, 1973

BALANCE SHEET

EXHIBIT A

ASSETS

	Combined	General Fund	The Signalman's Journal Fund	Contingent Fund	Building Fund
CURRENT ASSETS					
Cash	$ 513,081.22	$348,547.56	$4,487.80	$120,615.11	$ 39,430.75
Securities—at cost	53,659.93	34,750.00		18,909.93	
Accounts receivable					
Accrued interest	650.13	650.13			
New York, Susquehanna and Western Railroad Company—judgement award	15,121.75	15,121.75			
Others	1,403.69	1,403.69			
Building Fund	220,701.55			220,701.55	
Prepaid expenses	3,519.64	3,519.64			
Total current assets	808,137.91	403,992.77	4,487.80	360,226.59	39,430.75
FIXED ASSETS					
Land					
Chicago, Ill.—at cost	12,000.00				12,000.00
Mt. Prospect, Ill.—at cost	140,000.00				140,000.00
Building, Chicago, Ill.—at cost (Note #1) $148,163.52					
Less reserve for depreciation 50,906.37	97,257.15				97,257.15
Building, construction in process—Mt. Prospect, Ill.	283,140.77				283,140.77
Office furniture and equipment—substantially at cost 66,667.45					
Less reserve for depreciation 45,205.53	21,461.92	21,461.92			
Deposit on telephone equipment	1,300.00				1,300.00
Total fixed assets	555,159.84	21,461.92			533,697.92
OTHER ASSETS					
Interest in the Labor Cooperative Educational and Publishing Society—at cost	1,062.50	1,062.50			
	$1,364,360.25	**$426,517.19**	**$4,487.80**	**$360,226.59**	**$573,128.67**

LIABILITIES

CURRENT LIABILITIES					
Notes payable—bank	$ 157,254.62				$157,254.62
Accounts payable					
Trade (Note #2)	28,426.91	$ 21,528.27	$5,789.04	$	1,109.60
Contingent Fund	220,701.55				220,701.55
Accrued payroll taxes	9,943.11	9,419.17	523.94		
Accrued real estate taxes	19,258.06	19,258.06			
Total current liabilities	435,584.25	50,205.50	6,312.98		379,065.77
CAPITAL					
Exhibit B	376,311.69	376,311.69			
Exhibit E	(1,825.18)		(1,825.18)		
Exhibit F	554,289.49			360,226.59	194,062.90
	$1,364,360.25	**$426,517.19**	**$4,487.80**	**$360,226.59**	**$573,128.67**

ployed by the Port Authority Trans-Hudson Corp. and Long Island Rail Road when our members were idle because of legal strikes against the two carriers by other railroad unions.

Our building fund capital increased from $164,517.23 on June 30, 1972, to $194,062.90 on June 30, 1973. As previously reported we have physically moved our headquarters from 2247 W. Lawrence Avenue, Chicago, to 601 W. Golf Road, Mt. Prospect, Illinois. The Brotherhood's new building is an asset of which each member should be justifiably proud. Although we have had to devote a great many hours to planning, checking, advising contractors, studying material for making decisions, and all of the frustrations that go with such a project, we believe that the Brotherhood's position will be far better for many years because this project was undertaken and completed. We will be pleased to have any of our members stop by and look the building over when they are in the Chicago area and wish it were possible for all of our Brothers to be present when the building is dedicated. The dedication is

BROTHERHOOD OF RAILROAD SIGNALMEN
EXHIBIT C GENERAL FUND

Salaries:		
Grand lodge officers (12)		$173,378.41
Grand lodge representatives (7)		84,863.22
Special representatives		1,742.90
Office employees (13)		99,489.44
Director of Research		8,059.67
Traveling expenses:		
Grand lodge officers (Exhibit D)		77,800.76
Grand lodge representatives (Exhibit D)		32,090.95
Special representatives		4,104.87
Director of Research		3,425.86
Pensions—retired Grand lodge officers (Exhibit D)		6,246.00
Office supplies and stationery		19,785.32
Postage		9,182.16
Telephone		10,082.44
1961 rules and wage movement		500.00
Railroad retirement negotiations		540.00
Retirements (A. N. Cotton and H. A. Stockdale)		379.74
1973 directories		914.95
1973 convention expense		11,109.50
Negotiations on railroads not covered by national agreements		346.67
Railroad retirement tax		25,626.97
Unemployment insurance tax		4,551.16
Railway Labor Executives Association		12,960.00
Canadian Railway Labour Executive Association		930.00
Per capita dues and special assessments:		
A.F.L.-C.I.O.		12,599.56
Canadian Labour Congress		2,123.00
Maintenance of office equipment		1,329.94
Railway publications and statistical data		1,664.37
Printing of awards		1,054.76
Membership cards		762.00
Rent:		
Winnipeg, Manitoba, Canada	$ 480.00	
Montreal, Canada	1,087.20	
Bristol, Tennessee (closed during year)	250.00	
Paducah, Kentucky	480.00	
Washington, D. C.	1,008.00	
Denver, Colorado	1,117.50	4,422.70
Attorney fees		11,640.72
Accounting fees		2,175.00

STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 1973

Fidelity bonds—Grand Lodge		316.42
Professional services		3,719.52
General Fund services—Signalman's Journal Fund Manager		13,982.98
Moving expenses:		
J. E. Platt	$	841.13
A. N. Cotton		621.79
Negotiating Committee Railway Unions (Canada)		440.00
Rental of office equipment		175.20
Contributions		170.00
Insurance		1,572.72
Depreciation of office furniture and equipment		2,544.19
Express charges		57.00
Group insurance		13,342.72
Flowers		131.65
Safety deposit box rental		11.00
Personal property taxes		25.56
Exchange and duty		1.05
International executive officers expense		769.90
Photographs		695.75
Membership fee—Association of American Railroads		170.00
General Chairmen's meetings		579.85
General Committee refunds		4,437.84
Interest and penalty		1.35
Meeting room charges		347.51
Bank charges		2.00
Building expenses:		
Real estate taxes	$23,873.48	
Fuel oil	896.08	
Maintenance and operations	4,731.47	
Utilities	2,745.43	
Trustees' fee for holding title	20.00	32,266.46
Allocations to other funds:		
Signalman's Journal Fund (Exhibit E)	26,614.48	
Contingent Fund (Exhibit F)	67,293.30	
Building Fund (Exhibit F)	30,293.13	124,200.91
		$827,307.54

scheduled for May 1974.

The cost for publishing our Signalman's Journal increased from $36,467.99 in fiscal 1972 to $37,642.66 in 1973, which further indicates the impact of the general inflation rate of our economy.

The major part of our 1973 Convention costs will be reflected in the 1974 report, however this report indicates a part of those expenditures. The 1973 Convention was attended by many delegates, some for the first time, and was, in the writer's judgment a good Convention. Although we were faced with some matters which were controversial they were approached in a responsible manner, and settled in a sense of Brotherhood. Differences of opinion when expressed are healthy for any organization, and when approached responsibly and resolved in the best interest of the Brotherhood, such differences must strengthen our organization, and weld it more tightly together. The conduct of our Delegates and Officers at each Convention attended has been impressive and the entire membership of our organization should be proud of those participating in

BROTHERHOOD OF RAILROAD SIGNALMEN
GENERAL FUND
STATEMENT OF INCOME AND CAPITAL
YEAR ENDED JUNE 30, 1973

EXHIBIT B

INCOME:	
Per capita tax	$688,447.70
Initiation fees	4,670.00
Grand lodge dues	4,937.68
Special assessments	147.00
Supplies and postage	5,498.15
Interest and dividends	20,176.51
Subordinate lodge bonds—net	465.75
Sale of training books	2,701.90
Services to locals	13,713.94
Pledges—funds to be used in purchasing furniture for new building	2,635.00
Reimbursed attorneys' fees—New York, Susquehanna and Western Railroad Company	22,985.85
Donations for T. H. Gregg Memorial	135.00
	766,514.48
EXPENSES (Exhibit C)	827,307.54
NET INCOME (LOSS)	(60,793.06)
CAPITAL—June 30, 1972	437,104.75
CAPITAL—June 30, 1973	$376,311.69

BUILDING FUND
STATEMENT OF INCOME AND CAPITAL
YEAR ENDED JUNE 30, 1973

EXHIBIT G

INCOME:	
General fund allocation	$ 30,293.13
Interest on savings account	1,371.47
Donations	1,700.95
	33,365.55
EXPENSES:	
Depreciation	3,819.88
Net income	29,545.67
CAPITAL—June 30, 1972	164,517.23
CAPITAL—June 30, 1973	$194,062.90

BROTHERHOOD OF RAILROAD SIGNALMEN
THE SIGNALMAN'S JOURNAL FUND
STATEMENT OF INCOME AND CAPITAL
YEAR ENDED JUNE 30, 1973

EXHIBIT E

INCOME:		
General fund allocation		$26,614.48
Advertising		3,395.28
Subscriptions		164.50
		30,174.26
EXPENSES:		
Publication costs:		
Printing and mailing $27,598.69		
Articles 206.00	$27,804.69	
Salary—Manager 19,806.11		
Less reimbursement from General Fund for services performed 13,982.98	5,823.13	
Manager's expenses	924.37	
Postage	278.50	
Subscriptions and books	35.25	
Stationery and supplies	32.00	
Photographic work and camera supplies	204.92	
Group insurance	745.08	
Unemployment insurance	192.00	
Railroad retirement tax	1,156.99	
Transportation	70.75	
International Labor Press Association dues	125.00	
Midwest Labor Press Association dues	15.00	
Association of Railroad Editors dues	25.00	
Camera and attachments	161.13	
Camera repairs	48.75	37,642.66
Net income (loss)		(7,468.40)
CAPITAL—June 30, 1972		5,643.22
CAPITAL (LOSS)—June 30, 1973		$(1,825.18)

Brotherhood of Railroad Signalmen Conventions.

We would like to take this opportunity to express our gratitude to all of the Local Lodge and General Committee officers for their untiring efforts and cooperation over the past year. We appreciate the loyalty and interest of the entire membership and are confident that this trust is not misplaced. Although we do not wish to single out special officers for praise, this office would like to especially recognize the Local and General Financial Secretaries for their continued hard work. It seems to us that these officers are too often taken for granted while performing most difficult tasks, and because of this, we think they deserve special "thanks."

BROTHERHOOD OF RAILROAD SIGNALMEN CONTINGENT FUND STATEMENT OF INCOME AND CAPITAL YEAR ENDED JUNE 30, 1973

EXHIBIT F

INCOME:		
General fund allocation		$ 67,293.30
Interest and dividends		11,442.53
		78,735.83
EXPENSES:		
Strike benefits—Long Island Railroad and Port Authority Trans-Hudson Corp.	$22,421.31	
Bank charges	12.45	22,433.76
Net income		56,302.07
CAPITAL—June 30, 1972		303,924.52
CAPITAL—June 30, 1973		$360,226.59

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James Sottile (facing camera far left) BofRS general chairman, Long Island, presents testimony before Presidential Emergency Board 184 in New York City. Board members (far right) include (reading from rear towards camera) Stanley Ruttenberg, former assistant secretary of labor; Frederick C. Fischer, chairman of PEB 184, former vice-president personnel, Macy's; and Dr. Emanuel Stein, professor, New York University. In left foreground (facing toward PEB) is Arnold Elkind, counsel for BofRS.

Emergency board hears BRS-LI labor dispute

Presidential Emergency Board 184 has heard members of the Brotherhood of Railroad Signalmen present their views concerning the labor dispute with the Long Island Rail Road. BofRS officers testified on Nov. 26 and LI officials presented their side of the case on Dec. 3. The Board has scheduled another meeting with the BofRS and LI for Dec. 17.

Creation of the Emergency Board by President Nixon had averted a strike by the BofRS scheduled for Nov. 2. The strike call had followed two-years of negotiations and the failure of two rounds of mediation to reach a settlement. Chairman of the Board 184 is Frederick C. Fischer, former vice-president personnel, Macy's. Stanley Ruttenberg, former assistant secretary of labor; and Dr. Emanuel Stein, professor, New York University, are members.

In general, the Long Island contends that the Signalmen should accept the wage package previously accepted by a coalition of other Non-Operating unions and in return should agree to changes in job classifications, headquarters rules and other benefits to provide savings for the wage package. The Signalmen contend that they are a unique, highly skilled craft union necessary for the safe, efficient operation of the railroad.

James Sottile, BofRS general chairman, LI general committee, testifying before Board 184, expressed the feeling of the Signalmen this way: "Signalmen view their future as being linked with the potential technology that is available for mass transit, and their expectations generally are to participate in the productivity benefits which will accrue to enterprises in which this technology is utilized.

"Among the rewards which they anticipate, in addition to economic benefits, is the privilege to perform their work with dignity and pride and under conditions which will promote their self-esteem.

"In this specific dispute the Signalmen have been particularly distressed with the insistence of the Carrier that even economic parity in wage increases be purchased at the expense of rules changes which are meaningful and, in some cases, essential to the employes."

Five key issues: The major issues under discussion are: (1) the headquarters rules; (2) changes in the classification rules; (3) elimination of meal allowance rule; (4) elimination of truck rate differential; and (5) abrogation of the Patchogue Agreement.

Leadoff witness for the BofRS was President Charles J. Chamberlain, who stressed the importance of signaling to the railroad industry and to the Long Island. "It cannot be disputed that signaling is a primary reason for the progress of the industry. The facts clearly show that the railroad Signalmen make a contribution to the railroad industry that is second to none and cannot be matched by any other craft of employment.

"The inequity of wage rates and the rapid deterioration of working conditions for signal employes on the Long Island Rail Road compounded by a rapid accelerated cost of living during the past several months, have placed signal employes at the bottom of the heap in the railroad labor force in that area, and I can say without fear of contradiction that our membership's patience is completely exhausted and nothing but an agreement that will remove all of these inequities will prevent another rail crisis as soon as we are legally free to use our economic strength," Chamberlain said.

"For this Board to completely understand our position and the reason for our determination and militance, they must closely scrutinize the data we have prepared for this hearing and the data presented to Boards 159, 175 and 179, which will clearly show that the signal employes are the highest skilled group in the industry who are required to perform their skills, duties and responsibilities under conditions which no other labor force in the country is subjected to or must contend with.

"The Brotherhood of Railroad Signalmen has, over the years, attempted to correct certain inequities as well as to remove others

Five key issues are in BRS-LI dispute

(1) The existing headquarters rules provide for permanent quarters with clean, healthful, sanitary facilities and work space. Headquarters for construction workers are maintained at Jamaica, Hicksville and Babylon. Maintenance men have headquarters at interlocking towers.

Signalmen viewpoint: Signalmen desire to keep the existing rules.

Carrier viewpoint: The proposed rule would affect only about 40 employees involved in construction work. There is no change contemplated in current rules or practices with respect to signalmen engaged in maintenance work. Because actual job sites may be a considerable distance from Hicksville, Babylon or Jamaica, and considerable time is lost traveling to and from the work site, the Carrier wants the right to establish other headquarters in closer proximity to job sites.

(2) The Patchogue Agreement provides for establishing work points on a 5-year highway crossing improvement program east of Babylon and Hicksville. In addition to covering the provision of sanitary facilities, tool storage, time allowances for travel in bad weather, etc., employees receive an additional one hour's pay for each day they work at an outlying point.

Signalmen viewpoint: Signalmen desire to keep the present agreement.

Carrier viewpoint: This agreement covers only those 11 men signalmen who are engaged in construction work on the 5-year highway crossing protection improvement program. With regard to such work, the Carrier may require signalmen to report directly to the job site and quit work from the job site. The Carrier is required to pay one hour's additional pay per day for this privilege and now proposes to continue the agreement but with a deletion of the penalty pay provision now in existence.

(3) Present meal allowance rules allow one meal for the first two hours of overtime at actual reasonable cost and an additional meal after each 4 additional hours.

Signalmen viewpoint: Signalmen desire to keep the present rules.

Carrier viewpoint: The Carrier has proposed a single meal allowance of $2.25 for an employee performing two consecutive hours overtime immediately following his regular work assignment, which would provide a uniform dollar allowance among all the non-operating crafts.

(4) Present rules provide for positions of signal technician and communication technician.

Signalmen viewpoint: The Signalmen wish to retain the present rules because of the potential unsafe conditions that might exist under the Carrier's proposed changes.

Carrier viewpoint: The Carrier proposal would allow the Carrier to reclassify some technicians to the lower rated job of maintainer or signalmen. It would also provide that the Carrier could use a technician interchangeably in all jobs he is competent to perform.

(5) Present truck rate differential provides employees an additional 13¢ an hour more if they are required to operate motor trucks in connection with their primary duties.

Signalmen viewpoint: Signalmen wish to continue the present differential payment.

Carrier viewpoint: The Carrier has proposed that these differentials be eliminated except that those individuals in positions for which a differential is paid at present will continue to receive the differential as long as they occupy that position, or having left that position, if and when they return to it.

that have existed for too long because of this Carrier's refusal to recognize that we were a different, unique, small group within the industry who have different problems from other organizations.

"With respect to the Long Island's counterproposals, we just do not believe that they are serious about them because they are diametrically opposed to the well-accepted practice of providing different rates of pay for different skills, and which the Long Island applies to other employes.

"There are no restrictive work rules as such which apply to our working agreements. The Long Island has flexibility with the use of signal forces and there are ways and means to accomplish by negotiations or implementing agreements any accommodations that the Long Island may desire or need to fit any conceivable situation," Chamberlain said.

Background of dispute. BofRS Vice-President Joseph W. Walsh outlined the background of the dispute which involves the BofRS 1971 wage movement and the LI's counterproposal of Dec. 16, 1971. "The wage notice provides for a general wage increase, a 32-hour work week with an increase to provide 40 hours pay, further adjustments of wage rates for skilled signal employes and for wage adjustments to correct inequities with the craft of signal employes. On Dec. 16, 1971, the Carrier served notice on several organizations, incuding our Brotherhood, of their desire to change existing rules and agreements between respective organizations and the Carrier.

"As a result of the Carrier's proposals several organizations joined in a coalition forming the Non-Operating Employes Conference Committee to negotiate with the Carrier. The Signalmen at that time informed Carrier officers of their intent to negotiate their dispute with the Long Island Rail Road separately," Walsh said.

The National Mediation Board held sessions with both sides in 1972, temporarily suspending them in November; then resuming in May 1973. In September 1973, the Mediator reported he was unsuccessful in reaching an amicable settlement and arbitration was offered, which was refused by both sides. Following the Oct. 16, 1973 strike order by the BofRS Grand

Executive Council, several meetings were held at the Mediation Board's Washington, D.C. offices without reaching an agreement.

"During the period of negotiations following the time our Brotherhood served its Section 6 Wage Notice on the Long Island, the Carrier had a construction project on the north end of the island," Walsh said. Agreement rules provide for camp cars for employees not assigned to headquarters, and where cars are furnished, they become the headquarters. Because LI did not have camp cars, they decided to provide accommodations. Some time after providing for reimbursement of actual expenses for meals and lodging for employes whose duties did not permit them to return to their headquarters every evening, LI sought relief.

"The General Chairman provided the necessary relief by negotiating the so-called 'Patchogue Agreement' on Feb. 17, 1972. This agreement was negotiated by our General Chairman with the intent that any eventual wage settlement reached with the Carrier would have to be approved by some governmental tribunal such as the Pay Board that was in existence at that date. It was assumed by our Committee that the large Carrier savings provided by this agreement would be taken into account, not only in any final wage settlement, but also when seeking contract approval before any governmental tribunal," Walsh said.

LI opening statement. In his opening statement to the Emergency Board, George M. Onken, vice-president and general counsel, LI, made several points such as the fact that the railroad had reached agreement with 12 other non-operating unions, that the LI has had net operating losses for the last several years—for the last six years, total revenues increased by 23% while wages increased by 49% and total compensation by 66%—and that there are only 240 Signalmen on the LI out of the road's total of 7,300 employees.

Concerning relations with approximately 4800 employees of the other non-operating unions, Onken said: "While the Signalmen chose not to join in coalition bargaining with the other 12 non-operating unions, the course of the negotiations with the Signalmen must be viewed in context with the negotiations and settlement had with the other 12 non-operating unions, because of the wage relationship between the Signalmen and other non-operating crafts."

Concerning the settlement with the other 12 non-operating unions, Onken said "that settlement provided for a 30-month contract beginning Jan. 1, 1972, with basic wage increases in the amount of 6% effective Jan. 1, 1972, 10% effective Jan. 1, 1973 and 10% effective Jan. 1, 1974. It also provided for an increased benefit package. However—and I cannot too strongly emphasize this—the Carrier agreed to that settlement only because the unions in the coalition agreed to force reductions and other concessions which afforded the Carrier substantial savings, thus enabling it to meet the increased cost of the settlement."

"The Carrier would give the Signalmen the same pay increase as was gained by their fellow non-ops [cited above] and three increments of 2% each in night shift and weekend differentials," Onken said.

Redefining duties. "The Carrier wants to be able to assign signalmen and maintainers to perform certain tasks, such as Meggering and field testing of relays, which must currently be performed by technicians who receive higher pay. These tasks are well within the skills of the men the Carrier seeks to assign," said J. J. Ward, manager labor relations (non-ops), LI.

"The Carrier wants the ability to assign a signal technician to perform any combination of signal technician tasks for which he may be qualified and likewise to assign a communication technician to perform any combination of communications technician tasks for which he may be qualified. Currently, there are a number of distinct types of work classified as technicians work and a technician may be assigned to perform the work in only one of these areas, regardless of his competence to perform in any other area," Ward said.

Concerning the one hour pay for the 11 men working on crossing protection construction under the "Patchogue Agreement," D. W. Aiken, assistant chief engineer signals & communications, said, "we do not feel that continuance of such a bonus is at all justified."

"It is felt that the elimination of the extra hour's pay on the days that this small group of employees is required to report to outlying work points . . . will not create any hardships," Aiken said.

Signal improvements under way on N&W

SIGNAL PROJECTS now under way on the Norfolk & Western include traffic control installations. In August, final adjustments were made in connection with traffic control on the line from Vabrook, Va. to Hyco, N.C. Traffic control was installed from Brocton to Blasdell, N.Y. and AK interlocking was converted to automatic operation. Also to be installed will be automatic signals from Blasdell to Buffalo Creek and GB interlocking will be converted to automatic operation. Completion date is set for Dec. 23 this year.

Traffic control was installed between Lafayette and Templeton, Ind. with retirement of the eastbound main track. Modifications to traffic control system and extend passing tracks at Dawson and Arnold (Decatur-Jacksonville), Ill. are to be completed by July 1, 1974.

Regional Sales Representatives

Division of NYSE corporation serving the transportation industry has excellent growth positions for 2 Regional Sales Representatives. Successful candidates will have a minimum of 3 years industrial sales experience, with a knowledge of the transportation industry a plus. A background in electronics and 2 years of college would be ideal.

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An Equal Opportunity Employer

V. J. Sartini (N&W), second from right, newly elected general chairman of the Norfolk & Western general committee, receives congratulations from C. J. Chamberlain, president, Brotherhood of Railroad Signalmen (far right). C. S. Chandler, BofRS vice-president (left) and B. L. Neff (NYC&STL) second from left, who was elected financial secretary of the new general committee also enjoy the congratulatory proceedings.

Norfolk & Western signalmen merge committees V. J. Sartini elected general chairman

Officers attending the meeting at Grand Lodge Headquarters included the following (title indicates new position with newly formed general committee unless otherwise indicated). Seated (left to right)—R. T. Bates, BofRS secretary-treasurer; B. L. Neff (N&W) financial secretary; V. J. Sartini (N&W) general chairman; C. S. Chandler, BofRS, vice-president. Seated at his desk is C. J. Chamberlain, BofRS, president. Standing (left to right)—J. M. Curry (N&W), secretary of the trustees of the general committee; Stanley Atkins (N&W) vice general chairman; B. V. Clyburn (N&W) vice general chairman; J. G. Shadrick (N&W) local chairman Local 55 (former Wabash); Ralph E. Markle (N&W) assistant general chairman; S. J. Burnett (N&W) vice general chairman; John L. Howard (N&W) vice general chairman; L. E. Mawyer (N&W) chairman of the trustees of the general committee; Paul E. Stevens (N&W) vice general chairman; and J. J. Dawson (N&W) member of the trustees of the general committee.

The officers of five Norfolk & Western General Committees met at Grand Lodge Headquarters on December 1, 1973 to adopt By-Laws and merge their committees into one committee.

This action came about following a series of meetings where the members of Locals 55, 77, 113, 140, 166, 169, 197, 199 and 201 voted to merge the committees and have representation by a full-time general chairman.

The five committees that now comprise the Norfolk & Western System Committee are committees from the Norfolk & Western; the former New York, Chicago & St. Louis; the former Pittsburgh & West Virginia; the former Virginian; and the former Wabash. The carrier had previously merged these five railroads into one system.

General Chairmen representing their committees at this meeting were: V. J. Sartini, Jr., N&W; B. V. Clyburn, Virginian; Stanley K. Atkins, P&WV; and Paul E. Stevens, Wabash. Other officers attending were: B. L. Neff, general secretary, NYC&StL; R. E. Markle, vice general chairman, NYC&StL; also J. M. Curry, local chairman

Local 113; L. E. Mawyer, local chairman, Local 77; J. J. Dawson, local chairman, Local 55; and J. G. Shadrick, local chairman, Local 55.

The committee adopted a very comprehensive set of By-Laws that had been composed under the guidance of Vice-President C. S. Chandler. The By-Laws have articles covering organization of the committee, committee officers, meetings, election of officers, compensation of officers, general committee funds, duties of officers, vacancies, subordinate lodge members of other affiliated railroads and an article covering general provisions.

The By-Laws provide for the establishment of a full-time office of General Chairman to become effective January 1, 1974.

Those attending the meeting elected the following committee officers:

General Chairman—V. J. Sartini, Jr.
Asst. General Chairman—Ralph E. Markle
Financial Secretary—B. L. Neff
Vice General Chairman—Paul E. Stevens
Vice General Chairman—Stanley Atkins
Vice General Chairman—John L. Howard
Vice General Chairman—S. J. Burnett
Vice General Chairman—B. V. Clyburn

Trustees of the Committee who were elected were:

Chairman—L. E. Mawyer
Secretary—J. M. Curry
Member—J. J. Dawson

Because the committee acccepted President Chamberlain's invitation to hold the meeting at Grand Lodge Headquarters, the following Grand Lodge officers were able to attend: President C. J. Chamberlain, Secretary-Treasurer R. T. Bates, and Vice-Presidents C. S. Chandler and J. W. Walsh. Also attending and introduced by President C. J. Chamberlain was our new Editor of The Signalman's Journal, Bob McKnight.

When addressing the group following the election of officers, President Chamberlain commended the committee and their membership in having the farsight to merge their respective committees and adopt By-Laws that would establish the full-time General Chairman's office.

Chamberlain noted that every committee in our Brotherhood represented by a full-time general chairman is more than pleased with the representation given and the improved service.

He noted while making this statement he was in no way inferring that our part-time general chairmen were not doing a good job. However, he said the job becomes more complex each year and requires the undivided attention of the person. He also noted how unfair it was for our members to expect their representative to work all day on the railroad and then work most of the night preparing claims, grievances and other material that must be handled under the time limits.

Vice-President Chandler in congratulating General Chairman Sartini on his election noted one of the first orders of business for Brother Sartini was the negotiating of a new agreement to cover all Signal Department employes on the N&W. He promised to assist in these negotiations and assured the committee of his full support.

N&W signals donated to museum, village

THE DONATION of a set of old type flashing light signals to the Henry Ford Museum and the Greenfield Village in Dearborn, Michigan, has been handled with the Museum's Curator, Frank Caddy.

The N&W donation was suggested by P. D. Miller, assistant supervisor, Signals and Communications, Bellevue, Ohio. Mr. Miller visited the Museum and Greenfield Village. Being a railroader, he was very interested in the old steam locomotive and cars that travel in the Village. Being a member of the N&W Signals and Communications Department, he noticed the absence of crossing flasher lights at the point near the entrance to the Village where the visitors have to cross the tracks. He suggested that NW donate the signals to the Village for installation. N&W also provided the technical assistance.

TO ALL SIGNALMEN

I want to share with you this little poem by an unknown author. On occasion it has helped me greatly and perhaps you may face a situation in the months ahead when by reading it you will be encouraged and aided.

DON'T QUIT

When things go wrong, as they sometimes will,
When the road you're trudging seems all uphill,
When the funds are low and the debts are high,
And you want to smile, but you have to sigh,
When care is pressing you down a bit . . .
Rest if you must, but don't you quit.
Life is queer with its twists and turns,
As every one of us sometimes learns,
And many a fellow turns about
When he might have won had he stuck it out.
Don't give up though the pace seems slow . . .
You may succeed with another blow.
Often the goal is nearer than
It seems to a faint and faltering man;
Often the struggler has given up
When he might have captured the victor's cup;
And he learned too late when the night came down,
How close he was to the golden crown.
Success is failure turned inside out . . .
The silver tint of the clouds of doubt,
And you never can tell how close you are,
It may be near when it seems afar;
So stick to the fight when you're hardest hit, . . .
It's when things seem worst that you mustn't quit.

Sincerely and Fraternally,
CJC

News About Members

Canadian officers visit Grand Lodge

John E. Platt (left) vice-president BofRS from Montreal receives the "charge" from A. E. Lyon, BofRS president emeritus, reading from the original book containing the Brotherhood's oaths of office, while C. J. Chamberlain, BofRS president (second from left) and R. T. Bates, BofRS, secretary-treasurer (right) watch.

Also visiting the new headquarters building were John McCormick, Canadian member of the Board of Trustees (left) and R. R. Mitchell, Canadian grand lodge representative (right) flanking John Platt.

Penn Central

Port Alleghany, Pa. (134). The members of Local 134 held a retirement party in honor of Brother George Geddes at the Mineral Wells restaurant on Route 6, outside Warren, Pa. on June 30, 1973.

Brother Geddes retired January 1, 1973 after almost 47 years of service in the signal department of the PRR and Penn Central railroads. At the time of his retirement he held the position of maintainer test at Corry, Pa.

M. M. Wilkenson, B. E. Burroughs, Sherm Rumberger, Stub Frost and Herb Klempau, retired members of Local 134 who were honored at previous parties, were in attendance. It is always good to see these retirees and plans are being made to make this an annual affair regardless of whether anyone retires during the year.

We were also honored to have our General Chairman, B. E. Britcher attend the retirement party.

W. T. McEnteer

Santa Fe

O. P. Smith, signal maintainer, barstow, California, retires after 46 years of active service with the Santa Fe Railway.

Brother Smith started his career with the Santa Fe on the Old Arizona Division in 1925. He was promoted to assistant signalman January 16, 1927 and began maintaining March 22, 1932. Brother Smith moved to Barstow in 1939, where he held a maintenance position until retirement.

Brother Smith's many hobbies include collecting old artifacts, such as coins, bottles, and glass insulators. He also is a follower of Dr. Kenneth Cooper's Aerobics theory on good physical fitness. Young at 65, Brother Smith will remain active and devote much time and energy to his many hobbies.

Local 173, his many friends and brothers of Local 156, and the entire Santa Fe General Committee wish him a long, happy and healthy retirement.

R. R. Van Vacter

Union Pacific

Rock Springs, Wyo. (8). Brother Hugh Irvin, former Local Chairman of Local 8, Wyoming Division, retired on April 30, 1973, after 44 years and 9 months service on the Union Pacific Railroad. Hugh began work in the old Aspen Tunnel, Wyo., July 16, 1928, and marked for some time in all the field jobs of the craft, ending his career with a clear record.

Mrs. Irvin and the Signal Supervisor, Vern Noland, arranged a surprise party on May 12 in Rock Springs, when Brother Irvin was honored with a ham dinner and social hour by fellow signalmen, their families and friends, as well as a surprise visit by his daughter, Jane, from Arlington, Va.

Brother Irvin was presented with a gift certificate, a black jade arrowhead and an Eisenhower silver dollar buckle.

After the dinner signalmen and friends extended their best wishes on retirement to Brother and Mrs. Irvin and they recalled old days between the North Platte River and the great Salt Lake whenever the three great lights beckoned.

Brother Irvin said his reward was to do signal work among union men and he was thankful for the help of his brothers and the rules. Hugh thought his best work was throughout World War II often running through the night on a 41 motor car and getting the hot trains on down the line. He never suffered an injury and was always strong for Safety First.

The officers and members of Local 8 join Brother and Mrs. Irvin's many friends in wishing them many good years at Rock Springs, Wyoming.

Brother Irvin plans to do a little light reading and to keep his eyes on the boys up and down The Semaphore Trail.

M. N. Davis

Representing the Signalmen at the recent AFL-CIO annual convention at Bal Harbour, FL were R.T. Bates (left) BofRS, secretary-treasurer; C.J. Chamberlain, BofRS president; R.C. Howard, secretary-treasurer of LABOR newspaper; and C.S. Chandler (right) BofRS vice-president.

NE rails impact on everyone

IN RECENT SPEECHES FRA Administrator John W. Ingram has discussed the Northeast rail crisis, relating how it impacts on everyone, consumer as well as railroad man. Also, in a Chicago talk he described some research efforts made in behalf of railroads funded by the Federal Railroad Administration. Abstracts of his talks follow.

The seriousness of the situation today permits neither equivocation nor doubletalk. Six Class I railroads, as well as one Class II line, are in bankruptcy. They are all here in the Northeast quadrant of the Nation. Their services (many of them) are not only essential to the prosperity and well-being of the people and industry here in the Northeast, they are essential to the well-being and prosperity of the Nation as a whole. There is no doubt that rail service must continue in this part of the Nation. Forty-two percent of the Nation's population lives in the Northeast quadrant. Here in the Northeast is where you find the major centers of our all-important automobile, steel and machine industries. The geographic zones served by the bankrupt properties account for almost half the total of our Gross National Product, and account for more than 50 percent of the Nation's total industrial production. A transportation crisis in the Northeast would most certainly precipitate an economic crisis of major proportions that would shake the Nation to its roots.

We are convinced that the problems of the Penn Central—and the problems of the entire fraternity of bankrupt properties—are easy to identify: too much track and too much manpower. We are also deeply concerned about the deleterious effects of over-regulation, outmoded regulation—regulation that requires the maintenance of what really should be surplus property, and regulations that insist on the underutilization of a very valuable (and quite expensive) skilled labor force. We recognize that the *only* solution to the problems posed by the bankrupt properties must come from the government.

That does not mean we believe the government should step in to solve the problems by taking them over. Not at all. Indeed, that's one of the very last things I want to see—or that Secretary Brinegar or President Nixon want to see. The President said in his September 10th message to the Congress, "a failure of *any* significant part of our Nation's railroad system would impair our ability to move freight efficiently to *all* parts of our Nation," but that doesn't mean the President wants the government to step in on an emergency basis to either run the railroads or to provide alternate ways of moving the freight. What this Administration wants is for railroads to be allowed to turn a decent dollar while providing decent service—and we want to create an environment in which private enterprise can accomplish this effectively and efficiently. Yet the only way such an environment is going to be created, frankly, is through remedial legislation—and that won't come from the Executive Branch, it can only come from Congress.

But what I *do* want to tell you is this: the railroad industry, in all its aspects, is going to have to unite and tell its story effectively if remedial legislation is going to pass the Congress.

In recent months I've done a lot of traveling to various railroad properties throughout the Nation. I've been to computer centers (some of them squeezed into century-old buildings with paint peeling off the walls; but at least the technology was contemporary), I've been to classification yards—both good and bad, I've ridden on everything from Metroliners to hi-rail trucks, and I've talked to railroad people from the top of the ladder to the bottom.

I've asked employees of solvent railroads (I won't say which ones) what they thought ought to happen to the Penn Central—or the other bankrupt lines. And—sad but true—the bulk of the answers have been along the lines of "Gee, I don't know—what do you think?" There's an awful lot of shoulder-shrugging going on in the railroad industry today—an awful lot of people from all disciplines within the industry—who aren't paying too much attention to what's happening to their bread and butter.

'We have an opportunity to create a showcase for private enterprise transportation'

I've stood in the midwest and listened to operating people tell me how many carloads of westbound freight they've been handling. They tell me how great things are on their railroad. They actually brag about how fast they classify cars—cars that came to them from Selkirk, from Enola, from Conway, from the Big Four yard. They brag about how they can expedite all the freight they pick up in interchange with the Erie-Lackawanna, the Lehigh Valley, the Penn Central.

How much of that overhead traffic are they going to handle if those lines suddenly dry up because the crews don't come to work because payday didn't happen that week? It's not a case of whether a court or a judge can call for liquidation—that's a non-issue. If there's no money in the payroll account, no one's going to come to work. And every railroad in the Nation will suffer—bitterly and lastingly.

I think this Nation and this industry is facing a moment of rare opportunity. We have the chance to draw more than rubble out of the wreck of the Penn Central—we have the opportunity to construct one or more viable, solvent rail companies in a part of the Nation that generates some of the heaviest traffic densities anywhere. We have an opportunity to create a showcase for private enterprise transportation—one that will compete fairly, one that will earn an honest dollar for investors. I hope you'll help us achieve that goal.

And I think I share with you three other wishes. As taxpayers, I don't think you wish to subsidize a nationalized industry.

As railroad men from other parts of the country, you don't want to compete with a government-subsidized industry.

And for those of you in the Northeast—I don't think you want to become government employes. It's not that great.

Speaking of research, Ingram said we have established our Test Center at Pueblo, Colorado. Its official name, of course, is the High Speed Ground Test Center. But we will be doing a lot more than just high speed experiments.

In cooperation with the Association of American Railroads and the

Railway Progress Institute, we've been setting tank cars full of chemicals on fire at the White Sands Proving Grounds in New Mexico. We have a cooperative project with the Santa Fe in Kansas, testing eight different types of roadbed, ties and rail fasteners in a real-life experiment. We have utilized the Navy's rocket sled at China Lake, California for high speed third-rail pickup experiments.

The high speed passenger hardware at Pueblo is what gets pictured in the papers—things like the Tracked Air Cushion Research Vehicle, the Linear Induction Motor Research Vehicle, the State-of-the-Art Transit Cars, and even the upcoming magnetic-levitation devices.

But from the very start, we have also insisted that hardware more generally associated with conventional railroading will be tested at Pueblo. The industry has, indeed, exhausted easy technical solutions to problems, and in this day and age of long, heavy, fast-moving conventional freight trains we have a whole new spectrum of challenges.

I know the expression "rock and roll" offends the dignity of some of the old-time railroaders, but we have to accept the fact that harmonic rocking of freight cars is a very real problem. We'll be testing hardware aimed at solving that problem—in conjunction, I might note, with in-house research that many firms represented here today have already started on. At Pueblo you'll find a scientifically designed test track—built to bring out the worst in what you have to offer—and we'll be able to telemeter and document every action and reaction that your products will produce in real-life situations. This track is now installed. It has reverse five-degree curves and grades up to .09 percent.

We'll have a dynamics laboratory —now in the last stages of construction—that will be the most advanced of its kind anywhere. Initial testing will start in the Spring; full-scale testing will start in 1975.

We have a track for destructive testing (which I am sure will bring out the newspaper photographers). It's officially called the "impact test track," but what it really amounts to is "wrecking trains for fun and profit." Your profit, incidentally.

We will have a 14-mile loop of conventional test track as well, and will be conducting tests on the dynamics of long train operation in order to cope with break-in-two problems.

Murray sees need for national transportation policy

The need for a national transportation policy is urgent, especially with the potential risk of the railroads being nationalized. So said Leonard H. Murray, president, Soo Line, at a recent meeting of the Association of Railroad Editors. An abstract of his talk follows:

Everybody knows the rail problem. The answers are pretty well known, but who wants to effectuate them? Practically nobody. And so here we are at a point where the disadvantages of nationalization have been expounded endlessly but it is now at our doorstep. We may very well get nationalization, not because anybody wants it as the determined policy, but because we are drifting into it. There are more bills in Congress today dealing with railroads than at any other time in our history. They are all different. We are getting more and more regulation not only of railroads, but in all American business.

The nature of railroading is a little different than most businesses. The nature of railroading is that practically everything is prohibited because it is a regulated industry unless it is permitted. Contrast that with the ordinary business structure. There everything is permitted unless specifically denied. As you get increased regulation you reach some point where all industry is in the same position as the railroads. At such a point everything is denied unless it is specifically permitted. As we move with increasing regulation of railroads we could soon have nationalization in fact even though we might not have it in form.

One of the things I think is critical is that currently the whole psychological set of dealing with railroad problems is in terms of the northeast rail problem. We have, believe it or not, in the year 1973 no true national transportation policy. We have the biggest transportation industry in the world, the biggest economy in the world and yet there is no national transportation policy. We have compartmentized our regulation and policy for the various modes. We have separate policies and regulations for airlines, maritime, rails and so forth. Not only that, but we went ahead and got 48 mainland states in the rail regulatory act. The day of state regulation is over. Most of the business of railroads is interstate and the rail problems today are mainly national in scope. Yet, we still have state regulation of railroads. How much state regulation is there of the airlines landing at our airport? Virtually none. But the railroads because of the historic pattern are still under regulation of the states.

If you read the newspapers you would conclude the rail problem exists only in terms of the northeast situation. There are other railroads in the United States. They are laboring under antique governmental policies and public opinions but may have the opportunity to prosper if we would eliminate some of the problems. We need an adequate rate of return in this industry. The simple truth is that this industry has not been able to generate the equipment, the motive power, the track, the service requirements, or the yards needed by an economy of the size and kind found in the U.S. The rail industry has been starved. We still have discriminatory taxation all over the country. Try to abandon deficit lines and see what you encounter. We haven't had the semblance of fairness toward the railroad industry in the United States.

So you know if we really had been aware of the **ecological impact of transportation** in this country we would have been fostering railroads. Railroads move tonnage with less fuel and create less pollution than any other mode I can think of with the possible exception of one. We are talking about land usage and how our cities are being destroyed by freeway construction for our transportation system. Land usage for transportation has soared in the last twenty years, yet our rail system has not been promoted even though vast amounts of additional traffic can be put on it under proper conditions with virtually no massive appropriation of additional land. Instead, we have followed policies designed to discourage rail. So we have had to build highways, water-

ways and we have on a national basis an inadequate transportation system for our economy.

Where is our major economic opportunity in the world? We have potentially the greatest transportation system. We are in the midst of the distribution age. Distribution costs in all major companies is the second or third highest cost. We are in the era in which the United States must live or die economically in world markets or at home by the efficiency of its distribution system. In the distribution age we must foster the rail industry which is the key to mass distribution in the United States.

Our hope in this country for people in the rail industry is the formulation of a national transportation policy. It really doesn't make sense to be trying to resolve the northeast rail problems, and some of the other problems with respect to the transportation industry as they relate to ecology, pollution, and the economy, with no national transportation policy. We have to come to an integrated concept of transportation. One of the reasons we have so many ideas about what to do with the railroads, particularly the railroads in the northeast, is there is no real frame of reference, no accepted premise of what is good and what is best for our transportation system. We do not even have a good starting point for a solution to the northeast rail problems without a national transportation policy. And I say this, any policy has to upgrade the railroads. If you are going to include in that policy the advantages of the rail in terms of energy usage, pollution, or land use, and we have got to be thinking about these things, the rails have to be given increased recognition.

Under any national transportation policy, it is inevitable that the rails will be upgraded. We are going to get upgraded in terms of political and public reaction to the rail industry. We are going to have then some frame of reference to deal with rail problems. But you can't really deal with the problems until this nation has a total national transportation policy. Anything else will be patchwork. I'm afraid this patchwork process now underway will lead into nationalization.

We have to get people to think in terms of the right policies for the railroads. We must educate our people in this industry that we have a genuine basis for hope. The most outstanding thing the railroad industry has done is survive under the form of restraint, public policies and political problems it has had. This alone is enough to give us confidence in the future.

We can have a firm belief there is going to be a new national transportation policy. It is inevitable because we cannot continue to have segmented transportation policies and survive in an economic world based on distribution efficiency. When this comes, the rails will be upgraded and we will have a good future. We have going for us the basic essentials we need: low energy use, low pollution factor, and we can expand distribution capacity without massive appropriation of new land. And more than that, we are moving into the distribution age where the railroad is going to be continually an increasing factor in this nation's competitive strength.

Senate bill would repair faulty guarantees

By Sidney Margolius

Not only do household appliances all too often need repairs, so do the faulty guarantees you sometimes get. They have holes in them—loopholes.

The main problem is that often a "guarantee" may provide for parts, but require that you pay for the so-called labor charge which really includes many more overhead costs than the actual labor.

In fact, the labor charge usually is the biggest part of the repair bill.

In a typical example, a guarantee provided by one large chain for radios, record players and black and white portable TV sets, promises complete service for the first 90 days provided you take the defective item to one of the company's branches. Then for nine months more, the company will repair or replace free of charge any parts or tubes which fail. But labor for this service is extra.

In effect, this is really a 90-day guarantee, not a one-year guarantee. Other guarantees may provide only 30 or 60 days for parts and labor. But still others may provide a full year's guarantee on labor, too.

Besides the frequent loophole of only partial or no coverage for "labor," some guarantees may specify that you must bring the product to a remote depot or factory. Erma Angevine, executive director of Consumer Federation of America, reported one case in which the manufacturer did agree to repair a faulty refrigerator. All the buyer had to do was return it to a service depot 150 miles away.

A bill recently passed by the U.S. Senate and now being considered by the House of Representatives would help to end some of the disappointments and waste of money. This bill would require that a manufacturer who claims to give a guarantee must specify whether it is a "full" guarantee covering both parts and labor for the specified period or only a partial guarantee. In any case, the guarantee or warranty—the words now mean the same thing—would have to provide a minimum period for repair or replacement without charge.

Such a law could be helpful in many ways. Not only would it give consumers a dependable way to compare guarantees but manufacturers would be stimulated to provide more adequate guarantees. If they do give more complete guarantees, then they will be impelled to provide careful quality control in order to avoid having to service or replace large numbers of faulty products.

This is the real problem—the insufficient attention given to design of products and to durability of materials, and sometimes to quality control, especially in times of high demand. For example, some of the fires that have occurred in color TV sets have been attributed to inadequate quality control.

This is the second time this "truth in guarantees" bill has passed the Senate. In 1971 the House failed to enact it. Hopefully, this time the House will take this useful step to end one of the costliest wastes of family and national resources.

Meanwhile, in your own buying, find out whether the guarantee is a full or partial guarantee, even if

you have to ask the salesman to take the guarantee slip out of the package so you can read it.

Remember that only the written guarantee counts, not a salesman's verbal statements.

In small electric appliances the guarantee nowadays often consists of over-the-counter replacement of a defective model within a specified period. This is a good type of guarantee. But the replacement period specified by various manufacturers varies from 30 to 90 days. The longer the period is, of course, the more help to you.

Keep your bill showing purchase date. Servicemen usually can tell from the serial number and condition of the appliance how long you had it. But a dated receipt is additional protection if your picture tube or thermostat on your dryer expires at about the same time as the guarantee. Most authorized servicemen are allowed to stretch the guarantee a little if the circumstances are reasonable, as when a vacuum cleaner motor develops trouble within a month after the guarantee period. In such case, you may have to pay only for part of the expense.

If you do have trouble getting proper warranty service on a household appliance, you can bring this problem to the attention of local or state legal authorities, and the Federal Trade Commission.

As we have noted before, you also may be able to get help through the Major Appliance Consumer Action Panel, 20 North Wacker Drive, Chicago, Illinois 60606. MACAP is sponsored by the Association of Home Appliance Manufacturers and other industry groups to help resolve such problems.

Senators ask for more safety inspectors

An alleged shortage of railroad safety inspectors was the subject of a letter to Transportation Secretary Brinegar from four Republican Senators—Clifford Case of New Jersey, Ted Stevens of Alaska, Charles Mathias of Maryland, and Richard Schweiker of Pennsylvania.

Brinegar was urged to allocate more than $3 million to alleviate what they consider a dangerous situation. There are only 18 inspectors to cover some 330,000 miles of track. They said the fiscal year 1974 appropriations include $1.4 million to add 95 federal inspectors and $2 million for states to hire and train their own inspectors.

OSHA has impact on collective bargaining

In a little more than two years, the Williams-Steiger Occupational Safety and Health Act has produced a major change in collective bargaining over workplace safety, a survey of 20 international union shows.

Assistant Secretary of Labor John H. Stender reported on the survey, made by the staff of the Labor Department's Occupational Safety and Health Administration (OSHA).

Stender said there was complete agreement that safety and health issues are being treated more promptly and positively between labor and management as a result of the federal law.

Recent contract settlements in the oil and auto industries—as well as other major contracts—have focused on safety, Stender added.

He said the survey of the 20 unions, representing employees in construction, manufacturing, transportation, and utilities, showed a major impact by the Act in less-publicized negotiations, as well as on grievance settlements in day-to-day labor-management contacts.

In addition to the 20 international unions, the AFL-CIO's Industrial Union Department was included in the survey. The IUD represents 56 unions with six million members.

"While the responses varied in degree," Stender said, "there was complete agreement that the legal requirements that the employer must provide safe and healthful workplaces, comply with applicable standards and be subject to penalties for failure to do so, together with employee rights and protection in the exercise of these rights, has had a very positive effect in handling safety and health issues."

Stender said that "while no statistics are yet available regarding the settlement of grievances over safety and health issues, a very definite impression was expressed that there has been marked improvement in this area."

"This may well be the reason for the relatively small number of complaints filed with OSHA by unions and union members," Stender said.

Stender said the survey demonstrated that the Williams-Steiger Act has been the necessary catalyst making it possible for labor and management to deal effectively with safety and health problems in the workplace.

In this entirely new situation, Stender said, OSHA has placed the regulatory power and enforcement capability of the Federal Government squarely behind safety and health during the slightly more than two years it has been in effect.

In unorganized workplaces, where there is no union, a different situation exists, Stender pointed out. In these workplaces, Stender said, "an effective occupational safety and health law provides employees with the *only* means for correcting unsafe and unhealthful conditions."

Another kind of labor-management agreement on safety and health problems was signed earlier this year between the Teamsters and the National Automobile Transporters Labor Division.

Referring to this agreement as "very significant," Stender said the pact declares it to be the policy of both parties to provide a safe and healthful place of employment for every employee covered by the contract.

The agreement sets forth rules to accomplish this objective.

Recession Threat

THE STEADY CLIMB IN INterest rates "is adding sharply to inflationary pressures and will drive the economy headlong into a recession unless something is done to correct the situation," Nat Goldfinger, Director of the AFL-CIO Dept. of Research, has warned.

Goldfinger sounded the alarm as the Chase Manhattan Bank, the nation's third largest commercial bank, led other major banks to raising their prime lending rate another quarter of 1 percent to 9.75 percent. And bankers and economists were predicting the rate would go still higher over the next few months. The prime rate is the rate banks charge their biggest, most credit-worthy corporate customers.

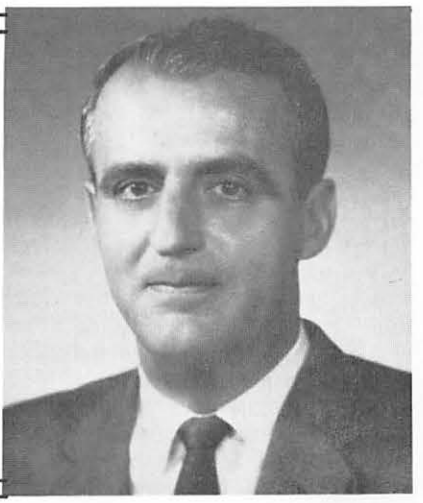
Goldfinger noted that the latest rise was the 15th increase in major banks'. basic lending rate since January when it stood at 6 percent.

"This comes to a 62.5 percent increase in this key price in the last seven months," he pointed out.

Retirement Reminders

From the Office of

SECRETARY-TREASURER



RUIA Sickness Benefits

The nationwide sickness benefit program for railroad employees is provided under the Railroad Unemployment Insurance Act and is administered by the Railroad Retirement Board. Most management-labor agreements providing sickness benefits for rail workers supplement this basic program.

The following questions and answers explain its provisions.

1. *How are these benefits computed?*

Benefits are paid at an employee's daily benefit rate for individual days of sickness in 14-day claim periods. For the first claim in each benefit year, benefits are payable for days of sickness over 7; for subsequent claims benefits are payable for days over 4. The present maximum daily benefit rate of $12.70 applies to most claimants so that your benefits will probably amount to $88.90 for your first 14-day claim and $127 for subsequent 14-day claims in the same benefit year. A new benefit year begins each July 1.

2. *If benefits are paid on the basis of individual days, what constitutes a day of sickness under the law?*

Sickness benefits are paid for days on which you are unable to work because of sickness or injury. (For a female employee, this includes days on which she is unable to work because of pregnancy, miscarriage or childbirth.) Benefits are not payable for days you receive wages, pay for vacation, pay while sick, or other pay for time lost. However, payments under one of the negotiated supplemental sickness benefit plans or payments from your own health or accident insurance policy, or payments from an employer relief department or a group insurance policy will not affect your entitlement to sickness benefits.

3. *How do I apply for sickness benefits?*

An application for sickness benefits can be obtained from a railroad employer, a railroad labor organization, or any Board office. A doctor's statement of sickness, which is attached to the application, is required at the beginning of each sickness. The Board suggests that you keep an application on hand for use in claiming sickness benefits, and that your family know where the form is kept and how to use it. Also, it is advisable for you to keep your latest Form BA-6, Certificate of Service Months and Compensation, with the application. Your BA-6 form shows your social security number and includes instructions on how to claim benefits.

If you become unable to work because you are sick or injured, complete the application, have your doctor complete his part of the form, and mail it directly to Railroad Retirement Board headquarters in Chicago. Enclose the right-hand portion of your BA-6 form if it is available, but do not delay sending your application because you cannot locate your BA-6. You may lose benefits if the forms are not mailed to the Board promptly.

4. *Is there a time limit on filing a sickness application?*

Yes. An application should be mailed to the Railroad Retirement Board by the seventh day of the illness for which you want to claim benefits. If you are too sick to complete the application, have someone else do this for you. If the application is not filed on time, there may be a delay in the payment of benefits to you, or you may lose benefits if you cannot give an acceptable explanation for the delay in filing the application forms.

5. *Are sickness benefits payable before an applicant recovers from his illness or injury?*

Yes, these benefits are payable while you are unable to work. A claim form is usually mailed to you at the end of each 14-day registration period. When the claim form is completed, signed, and returned to the Board, a benefit check is mailed to you.

6. *How long are benefits payable?*

Normal sickness benefits are payable for up to 26 weeks. Extended benefits can be paid for an additional 13 weeks if you have 10 to 14 years of service, or for an additional 26 weeks if you have 15 or more years of service. To be eligible for extended sickness benefits, you must be under age 65 (normal retirement age) and you must not have voluntarily retired.

7. *What are the qualification requirements?*

You are a qualified employee in the current benefit year which began July 1, 1973, if you had railroad earnings of at least $1,000 in calendar year 1972, not counting more than $400 for any one month. If you were a new employee in 1972, you must also have worked for a railroad in at least 7 months of that year. On the other hand, if

you earned less than $1,000 in 1972, but had at least 10 years of service, you may still be able, under certain conditions, to receive benefits.

8. *Under what conditions could I still receive benefits in the current benefit year without the required earnings in 1972?*

Even though you are not qualified on the basis of your earnings in 1972, you can receive extended sickness benefits in the 1973-74 benefit year if you have had at least 10 years of railroad service, if you received less than the maximum amount of normal sickness benefits in the 1972-73 benefit year, and if you have not exhausted your rights to extended benefits.

If you are not eligible on the basis of your earnings in 1971 or 1972, you could qualify for benefits on the basis of your 1973 railroad earnings. To qualify on this basis you must (a) have earned at least $1,000 in 1973, (b) have had 10 years of service, and (c) be sick for at least 14 consecutive days in the 1973-74 benefit year. As for extended benefits, you must also be under age 65 and not have voluntarily retired.

9. *I have just applied for sickness benefits because of a work injury, but some time in the future I expect to receive a cash settlement from my employer because of the injury. Will this prevent the payment of sickness benefits to me?*

Sickness benefits can be paid regardless of the liability of your employer or some other person to pay damages for an injury or disability that keeps you from working. However, the benefits paid you will be recovered from damages paid you by the liable party. The amount recovered will not exceed the net amount of damages after reduction for medical and legal expenses.

10. *How does the award of a railroad retirement annuity, a social security benefit or other retirement pay under a federal, state or local law such as military retirement pay, affect the payment of sickness benefits?*

Sickness benefits are payable only to the extent that they exceed the amount of an annuity and/or social insurance payment under any law payable for the same days. In many cases, some sickness benefits still remain payable.

11. *Do employees make contributions for sickness benefits?*

No, these benefits are financed by taxes on employers only.

12. *Are these benefits subject to income taxes?*

No.

PC trustees testify on Northeast rail crisis

Trustees of Penn Central Transportation Co. George P. Baker, Richard C. Bond and Jervis Langdon, Jr., testified before the Senate Committee on Commerce on Nov. 16 about three broad objectives that the legislation must meet if it is to be feasible. (Testimony follows.)

First, the legislation should now provide the mechanism for accomplishing a restructuring of the rail system in the region. While adequate time must be provided for the restructuring process, the legislation should provide for more than a study.

Secondly, provision must be made to ensure adequate and reliable rail service to the public during the interim period when the new rail system is being configured. In particular, critically needed funds for improving the plant and for increasing car supply must be made available without delay. If this is not done, we shall witness a continuing deterioration of the bankrupt railroads which, in turn, will cripple the prospects for viability of the new rail system even before it begins operation.

Third, the mechanism for restructuring the new rail system must be capable of feasible and prompt implementation. The compensation for the properties conveyed must have real value. Otherwise, there is a definite prospect of litigation which would delay or even frustrate the ability of the new system to become operational.

Several of the proposals before this Committee could, with some changes, achieve these essential goals. In our judgment, the document captioned Working Paper No. 1 and dated November 11, 1973 —the "Rail Services Act of 1973" —would require the least revision.

We should like to elaborate on the objections just referred to.

The first objection would be met by specifying the means for accomplishing the restructuring process once the requisite study has been made. In most of the proposals, this is done basically by creating a Federal Rail Corporation (the "Corporation") to which would be conveyed those lines of railroads in reorganization which the planning system proposes for continued operation.

We believe that a planning and study process alone—without such a mechanism—may prove abortive. In the case of Penn Central, for example, continued rail operations in the face of recurring, heavy deficits could not, as a constitutional matter, be sustained without the likelihood of a solution. It has been clear since early this year that a conventional, income-based reorganization is not in the cards for this railroad. Our conclusions in that respect have been confirmed by the Interstate Commerce Commission and by the Department of Transportation, among others.

In this kind of a case, continued operations risk being held unconstitutional as taking private property for a public purpose without compensation. However, most observers agree that the constitutional risk is averted if there is daylight at the end of the tunnel. The mere authorization of a further study would not meet this problem. A time for study with the means of making the study operational would, on the other hand, overcome this obstacle.

Adoption of this suggestion would accomplish another salutary result. Knowing that essential rail properties will be conveyed to the Corporation permits the bankruptcy trustees to progress other aspects of the reorganization without having to mark time. Thus, provision can be made for the future treatment of non-rail assets and work can continue on the classification of claims and the development of a method of distribution. The ability to get on with the job is consistent with the intent of Congress in its original enactment of Section 77.

The second major objective deals with the conduct of operations before the properties of the railroads in reorganization are conveyed to the Corporation.

We recognize that the public interest demands a fairly lengthy in-

terval to determine the proper configuration of the new system. No less, however, does the public interest demand that adequate rail services be maintained during this period.

All of the proposals before this Committee fall short of the mark in this regard.

Several provide for a maximum of $85 million during the period in question. The assumption here is that services will be maintained essentially at present levels while the planning goes on.

In actuality, $85 million for all the railroads in reorganization cannot possibly maintain even the present level of service during this interval.

IMMEDIATE FUNDING

More importantly, there must be adequate provision for catching up on deferred levels of maintenance and for increasing car supply. By and large, the bankrupt estates have no funds which can be tapped for these purposes. We recommend a provision authorizing Government-guaranteed bonds to be issued as an immediate source of funding for those projects which the Corporation would be undertaking were it capable of starting operations today. These advances could ultimately be made an obligation of the Corporation. For example, the final planning report could designate what debt or equity securities of the Corporation would be issued to reimburse the bonding authority.

While no one can predict the exact configuration of the new system, it should not be difficult to confine these interim expenditures to those essential rail facilities or that kind of equipment which are certain to be required in the final system plan.

An added concern to us is the ability to operate the railroad with good management during the interim period. Most of the proposals discriminate as to the job protection for "managerial or executive" employees. These are the employees whose continued services will be required before the final system plan is made effective. The proposed discrimination risks a massive exodus of capable people from railroads in reorganization at a time when they are most needed.

Our third objective is intended to permit the Corporation to acquire the properties and begin operations without awaiting the delays of litigation over values. None of the proposals, in our opinion, deals adequately or fairly with this issue.

We respectfully note that this issue involves not only the present railroads in reorganization, but, as well, the future financial soundness of the American rail industry. That capital-intensive industry is heavily dependent upon its ability to attract new capital and to refinance its long-term debt. If the reasonable expectations of public investors—not to be bailed out in times of distress but merely to be treated fairly—find an unsympathetic response from Government, even the profitable roads will be adversely affected in the future.

In the present situation, the legislative solution must give a court a fair assurance that what the bankrupt estates receive once their properties are conveyed has real value.

The proposals before the Committee essentially provide that the consideration received for the rail properties will be securities of the new Corporation.

While it is hoped that the Corporation will eventually prove viable, it will have no track record of success. Many of the decisions affecting its viability, including the level of service required, will be for some time out of the control of its owners. These questions raise difficult problems when the legislative solution is tested in the courts. The problems could easily delay or frustrate the legislative scheme.

It seems to us, therefore, necessary to ensure the *quality*, at least at some minimum value, of the securities of the Corporation.

This problem is alleviated to the extent that the Corporation can use securities guaranteed by the Federal Government to pay for the properties it acquires. The vehicle for the guarantee is generally thought of as "Fannie Rae"—the proposed Federal National Railway Association.

We recognize, however, that the Corporation will obviously have a limit on its ability to service debt. To the extent that Government-guaranteed bonds are committed for the acquisition of rail properties, that much less of the Corporation's earnings can be used to pay interest on debt incurred for railroad improvements.

This dilemma might be resolved if the Association were granted the power to underwrite, with Government guarantee, a minimum value for the common stock. The bankrupt estates would have a security which, because of the underwriting, is marketable. The present owners of these estates would not be exposed to a total destruction of their equity should the Corporation not prove viable. At the same time, the capitalization of the Corporation would not be burdened with additional indebtedness.

Editor's Note: At presstime, the Senate had passed its version of the Northeast rail bill and the matter was in the hands of a Senate-House conference committee. Indications were that agreement would be reached and by the time you read this issue, the legislation may have been passed by both houses of Congress.

The Senate version of the bill did provide for $2 billion in loan guarantees for rail equipment purchases. This amendment was designed to help alleviate the freight car shortage. Also, the Senate version contained a $10 million fund for implementation of a computerized control system for the freight car fleet.

Crossing safety gets help in Nebraska

Fred Scott hadn't seen a train on that track for months. And neither had some 33 other Nebraskan's who paid with their lives for a moment of carelessness.

Now Union Pacific, the state of Nebraska and the five other railroads operating in the cornhusker state are mounting a public awareness campaign to reduce the number of deaths and injuries inflicted at grade crossings as a result of train/motor vehicle accidents.

"Operation Lifesaver" is a hard hitting attack on the persistent problem of grade crossing safety. Despite a concerted effort on the part of the railroads over the past 20 years, deaths and injuries have continued unabated. Where signs, warning signals, laws and protective devices have failed to halt the carnage, Operation Lifesaver purposes to succeed.

Operation Lifesaver is a three prong attack on death and injuries at grade crossings. It sees a *"blitz"* type driver education campaign

coupled with a responsible look at hazardous crossings and strict enforcement of state laws governing crossings. The thrust of the program is making people aware of existing dangers. In death after death, injury after injury, it's been shown that the fault for grade crossing accidents rests with the driver. That's right, the driver, and he is the only unwilling participant in the whole grisly affair that has a choice. In a situation where a 4,500 ton train traveling at 50 miles per hour down a fixed track strikes a two-ton motor vehicle, the results are always the same—tragic.

Statistics bear out the tragedy of such a collision. Train/motor vehicle accidents accounted for less than one-half per cent of all property damage accidents in Nebraska in 1971, but they reaped a deadly harvest of six per cent of all fatalities.

Since Operation Lifesaver is an all out effort to eliminate accidents and save lives, if one life is saved, the whole program will have been a success. Strangely, however, no one will ever know for certain if one life or two or any, for that matter, have been spared as a result of the campaign. But last year, when Union Pacific conducted a *"first of its kind"* lifesaver campaign in Idaho, grade crossing accident statistics showed an improvement. Will Operation Lifesaver provide the same results in Nebraska? Union Pacific and participating members believe it will.

Operation Lifesaver is supported by the following Union Pacific departments: security and special service, safety, engineering, and public relations.

Labor and management work to improve St. Louis terminal

Missouri Pacific's St. Louis Terminal Division has been selected by a joint labor-management task force as the site for a special project designed to study the ways of improving freight car movement through major yards. The task force includes representatives from labor, management, the Federal Railroad Administration and the Administration and the Association of American Railroads.

The 15-month project will involve experiments with carrier operating practices, rates, regulations and employee working agreements.

The task force on terminals, headed by D. W. Collins, assistant general secretary and treasurer, United Transportation Union, chose MoPac's St. Louis Terminal Division as having the greatest potential for a successful pilot project after inspecting three proposed sites earlier this year.

Other task force members include D. M. Collins, transportation specialist, FRA; W. D. Best, director of research, Brotherhood of Railroad Signalmen; V. F. Davis, director, department of wages and schedules, Brotherhood of Locomotive Engineers; D. L. Gunn, director of operation research, Illinois Central Gulf; W. J. Harris, Jr., vice-president, research and test department, AAR; F. T. Lynch, assistant to international president, Brotherhood of Railway and Airline Clerks; J. E. Lyon, assistant general manager operating department, Norfolk & Western; J. R. Martin, director operations planning, Southern; J. Palloni, assistant to president, Brotherhood of Maintenance of Way Employees; J. H. Sharp, assistant vice-president, yards and terminals, Penn Central; J. M. Toler, assistant vice-president, transportation, Missouri Pacific; and C. E. Wheeler, assistant to president, Railway Employees Department, AFL-CIO.

According to *MoPac News,* John H. Lloyd, president, Missouri Pacific agreed to the experiment in July and in August, the terminal task force met with general chairmen of MP to explain the purpose and objectives of the project.

Vern G. Dyer, a former division superintendent, and most recently, manager-systems planning, was named project director and Frank J. Zamarioni, UTU general chairman and A&S yardman, was named associate project director.

The project team will also include a full-time secretary, a full-time analyst, and other railroad support staff as needed.

Working with William J. Farrell, general manager of MoPac's Eastern district and Willard Crimm, superintendent of the St. Louis terminal division, the team will organize, coordinate and monitor various experiments.

During the project, Dyer and Zamarioni will conduct experiments that will include possible changes in work rules, freight rates, governmental regulations, per diem, demurrage and carrier operating practices. Using computer analyses, time studies and on-site observation, they will measure what effect the changes have in improving service to rail customers and freight car movement through the terminal.

Dyer and Zamarioni are already at work on the planning strategy of the project and details of the initial experiments which they expect to begin before year-end.

All their experiments in the pilot project are designed to find solutions to terminal operating problems uncovered by the terminal task force in a preliminary study made in 1970.

In that study, the task force found that terminal operations are influenced by a wide range of work rules, interchange agreements, demurrage and per diem rates, government regulations and carrier operating practices. Changes in some of these factors appear necessary if terminals are to achieve optimum efficiencies now possible with ultra-modern communications and computer technology.

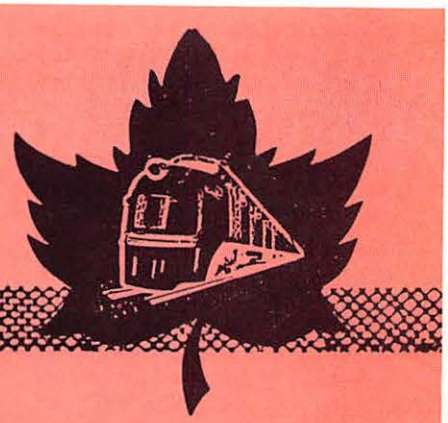
To test the practicability of changes in these areas, the task force proposed the joint terminal project study be undertaken on the Missouri Pacific's St. Louis terminal division. Operational changes will be sought that will work to the mutual benefit of all parties.

John M. Toler, assistant vice president-transportation of the Missouri Pacific, and a member of the terminal task force since its inception, says "the project is purely experimental, and any possible permanent changes affecting work rules will, of course, be subject to the normal procedures under the Railway Labor Act.

Employee protection guidelines will assure that no employee will be adversely affected with respect to wages, rules and working conditions while the pilot project is in operation.

Task force chairman Dan Collins noted that the success of the project will depend upon the cooperation of all concerned. He said, "Barriers to change will have to be set aside for the duration of the project if success is to be achieved, for we are searching for ways to do things better."

news from Canada



Non-Ops present their case

Editor's Note: The following is the Non-Operating Railway Unions final submission presented on their behalf by Mr. Maurice Wright, Q.C. before Arbitrator Honourable Emmett M. Hall, Q.C. in Ottawa on October 19, 1973. This was the conclusion of five weeks of presentations by the Non-Operating Railway Unions Negotiating Committee before the Arbitrator.

As we go to press it has been announced that Arbitrator Hall plans to hand out awards in Ottawa on Jan. 16, 1974.

Our coverage began on page 274 of the November issue.

However, I became convinced that I ought not to do this. I felt that if I had done this, it might be considered as melodramatic posturing, that it was being done to introduce a "hearts and flowers" theme. Quite frankly, I did not want to expose these people to the rigors of cross-examination on matters which are very personal to them. And, sir, certainly it would have drawn out the hearings.

I decided against it because it became very apparent to me, and to the members of the Negotiating Committee, that the case before you was getting careful, serious and in-depth consideration.

I can say to you at once that never in the history of this country has the management-labour relations subject been subjected to such careful scrutiny as it has in the last five weeks.

For all these reasons I decided not to adopt what might have been considered as a maudlin, melodramatic staging of a deliberate type of scenario. And yet I am bothered by the fact that it has been totally missing from these proceedings; and I mention it now because, although I know it does not have to be said, we are dealing with 57,000 human beings, and I think that you are entitled to take into account that these people felt strongly enough to create, if one is to put it that way—and I am not sure that my choice of language is exact in this regard—a national rail strike. It was a serious matter.

Unfortunately, all that is remembered about a hot day towards the end of August, when Parliament was reconvened to consider the legislation which is Bill C-217, is that a few people, inspired by spirits other than those which arise naturally, saw fit to foolishly cause some damage on Parliament Hill. So what? So there were a few people who embarrassed their fellow workers; that is all.

One can think of the demonstration on Parliament Hill as a very cleverly-contrived trick; or else one can think of it as individual Canadian citizens who stayed up all night, most of them, on buses, coming from as far as parts of New Brunswick—as far east as New Brunswick and as far west as Sarnia—merely to come to Ottawa and to walk on Parliament Hill for about half an hour, because that is all they did, and then to go straight home, to minimize the expense factor.

I suggest to you, sir, that part of the answer for their having gone out on strike is to be found in one of the Railways' own exhibits, and that is Exhibit No. 56. This is the exhibit filed by the Railways which contains their tables of statistics.

There is one statistic that I thought was significant, and I thought it was significant that you thought it was significant, because you questioned this. You looked at Table II-1, and it gives you the average hourly earnings, both in current dollars and in constant dollars, and it shows the progression of the average hourly earnings, and suddenly in the year 1966 there is an increase which is considerably higher than the years which preceded it, and a much larger increase than in the year 1967.

Then you asked, "Well, is there any explanation for this?" The explanation, of course, was that 1967 is the year that followed 1966 in which the last rail strike occurred.

Table II-1 tells us a lot of things, but included in the information that it does tell us is that the only major increases that the statistics show are those which were the aftermath of the 1966 strike.

Sir, that is a terrible thing to contemplate. We all like to think of ourselves—all of us, management and labour—as being pretty civilized people. Surely, there must be another way of resolving these things than by this terribly expensive way.

When one looks at these dry statistics, it leaps out of the page at you.

Incidentally, before I leave that, I would like to point out that in describing the increase, in 1967 it shows that the Associated Railway Non-Ops had an increase of 6.5%. In current dollars it was 10.3%, but in constant dollars, in real money, it was 6½%.

Now, suppose, particularly having regard to legislation and Section 16 of the Act, the Maintenance

of Railway Operations Act, suppose there had been an increase in the cost of living in the year in question, 1966, of 8%. Then there would have been, really, nothing else that one could have done, in justice, but to add the increase in the cost of living to the 6½%. In other words, if the fact situation in that year had been that there had been an increase in the cost of living of 8%, then the increase would have had to have been 14.5%—just on the basis of those figures alone, 6.5 plus 8%—to make sure that they got the 6½% in real money.

Changing Positions

The Railways devoted a substantial part of their case to a description of the changing positions of the Unions. Exhibit No. 61 is a Railway exhibit, and it is called, "The Unions' Approach." You are invited to consider and ponder over the fickleness of these people who can never seem to make up their minds, apparently, but who, in the process of making up their minds, keep going ever upwards. If that was not the intention, then there was no point to this approach. So, carefully they told you what the position was on November 1, 1972, when the first demand was served, the wage notice; what the Unions' position was on March 17, 1973, when negotiations terminated; what the Unions' position was on June 19, 1973, when the Conciliation Board hearings were undertaken under the chairmanship of Mr. Justice Munroe; what the Unions' position was in the summer of 1973, following the Conciliation Board report; and, finally, what the Unions' position was, and is before you, sitting as the Arbitrator.

I will deal shortly with the posture of consistency which apparently the Railways wish to apply to themselves, but first, as to the Unions. Is it really so difficult to understand the reasons for these changes on the part of the Unions?

Firstly, we are here now, in the middle of October of 1973, in which we have seen one of the most serious inflationary spirals in the history of this country, certainly in post-war years. The increase in the cost of living has been inexorable, inevitable, constant and alarming.

Well, what would these gentlemen who favour consistency have the Union leaders do? Sit by and say, "Well, we said we would accept so much, so we will continue to accept so much, even though the cost of living is going up and up and up?" It would be ridiculous for them to adopt that posture.

The Unions were caught in the grip of this inflationary spiral, and they were getting very clear messages from across the country that the earnings of the Railway employees were being eaten away and that they were being robbed by inflation.

The leaders of these Unions would have been utterly stupid, I submit, to have consigned their membership to a type of settlement which did not take the increase and the continual increase in the cost of living into account.

Another reason for the escalating position, as it were, of the Unions is the recognition by them of the phantom, of which we have spoken a great deal. There was recognition of this both on the technical and on a mass basis.

On a technical basis we have described to you how this recognition came about. Across the country they might not have had that sophisticated understanding, but suddenly there was a realization that served to explain to the membership of these Unions why these seemingly increasing wage rates they were supposed to have were, after all, only a fiction and an illusion.

They were being told that their average hourly earnings were at a certain point, and the figures seemed to show that they were going up. Then, suddenly—and it takes an inflationary impact of the type we have had to make people sit back and think their way through a problem of this kind to realize that it is here today and gone the next minute, because it is an earnings figure which is an illusion: it is a fiction.

Finally, there was the attitude of the employees across this country. A sense of frustration had developed, and the greatest actors in the world, the greatest scenic directors could never hope to build up the type of situation that we had in this country, which was extemporaneous — and if anyone should attempt to lead you to think that the sense of demonstration across this country was anything but extemporaneous, then he is just misunderstanding and misreading all of the signs.

Now we find ourselves before you. You have an extremely heavy responsibility imposed upon you. The grievances have accumulated and they have become bigger. I dare say you must think to yourself, in the privacy of your own thoughts, that this is certainly a heavy bill that has been placed before you, and that the bill may be high, but it is the result of not dealing with these issues and not resolving these issues as and when they arise.

They are also the direct result of this system in which collective bargaining on the Railways operates, where the options that are available to the Unions are really very limited.

The thing is riddled with politics. I would rather not beat around the bush. It is just riddled with politics.

Suppose the Unions really are aggravated over the last position that the Companies advance in the process of collective bargaining. What are they supposed to do? Is this going to become a biennial affair or a triennial, or whatever the case may be, situation where they are going to have a rail strike every two years or so? This is nothing to look forward to with relish.

Peoples' Ordeal

I can say to you, sir,—and no one has ever spoken thoughts more honestly than I do at this minute—that the ordeal of the people with whom I have practically been living in the last few months has been a terrible one. It is a terrible thing to contemplate that you are going to assume the responsibility of taking actions which will stop the trains rolling. It is a horrible prospect to contemplate that industries are going to be affected across the country. And one does not take that kind of decision lightly.

I do not know what this bill amounts to on a national basis; it must be terrible—and the strike only lasted about ten days or so: I do not know.

This is the bind that they are in. It is all well and good to be told, as we have been told, by the Railways, both before the Conciliation Board and before you, that, after all, 1966 was not the last time there was ever a settlement: there was a settlement in 1968 and there was one in 1970. And this is true, but it would be thoroughly unrealistic to think that collective bargaining on the Railways is ever

free and clear of the shadow of Parliament Hill, because on the Unions' side there is the clear recognition that from the standpoint of collective bargaining one must do the best one can, I suppose, but you don't bring on a strike without agonizing over it long and hard.

Entirely separate and apart from the losses which are incurred by the Railways—and this does not give us any sense of pleasure—and the losses that are incurred by innocent bystanders—and this is no cause for delight—is the knowledge that there will be direct pecuniary loss, monetary damage sustained by your own members who, by and large, as the statistical material before you indicates, are the lowest-rated employees on the Railways.

Well, I have been talking about the role of the Unions in this process of trying to get somewhere on wage settlements. We got the Railways' position.

MR. WRIGHT: Mr. Arbitrator, at the adjournment I had concluded certain remarks concerning statements made by the Railways about what apparently appeared to them as a very inconsistent position that the Unions were taking during the pre-arbitration era, which comprises the main part of 1973.

Well, if it is fair to review what the Unions' position is, it is equally fair to look at the Companies' position.

May I say that I would never have gone into this, and you will notice that the Unions did not go into any discussion of what the respective positions of the parties were before arbitration. I must say, in all candour, that I was surprised that this developed, because I think it was quite irrelevant; it does not make any difference; it is the kind of thing that goes on every day of the week between lawyers who are attempting to settle a case, but they do not go and tell the judge what they are doing.

Nevertheless, the Railways, for reasons which must have appeared sound and proper to them, told you what the Unions' position was. So, before I had a chance to ask the Railways what their position was, you, Mr. Arbitrator, asked them, and then you found out what consistency means.

You were told that on November 1, 1972 the Railways offered 5% in 1973 and 5% in 1974; but you were told that that figure was negotiable. On March 17 that was their position, as it was on June 19 before the Munroe Conciliation Board, and in the post-Conciliation Board era and in the pre-strike era it was 5% and 5%—but negotiable.

Negotiable with whom? I would assume that it was being negotiated with the Unions, and all of this talk about official and unofficial offers is quite beside the point. But, about two or three days—I am told, because I was not involved in this on a day-to-day basis—about two or three days before Parliament was convened, the offer was changed for the first time. And what was it? 30 cents per hour.

At 30 cents per hour, I ask you to ask yourself the question: Where was this virtue of consistency on the part of the Railways? Was it consistency or was it downright stubbornness?

I respectfully submit to you, sir, that employees across this country who were being kept abreast of what was going on—they were being kept informed—were entirely justified in concluding that what the Railways might have regarded as consistency was actually stub-

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PS Form 3526 July 1971

bornness, and political stubborness on the part of the Railways.

At one point in time, some time before and around March or April, 1973, it was known that an agreement which had been tentatively entered into by the Shopcrafts Negotiating Committee had been rejected by the membership, by the members of the Shopcrafts Unions.

Did the Railways really seriously think that an offer which had been turned down by a higher-rated group of employees, on a percentage basis, would be acceptable to a lower-rated group of employees?

What was the quality of that offer? Was it a serious offer? How could they possibly have really expected that offer to be accepted? I do not mean the original 5% and 5% offer, because that obviously was an absurd proposition in the year 1973, with the galloping inflation going on, but that last offer that was made just a few hours, almost, before Parliament was convened. Was there even the slightest possibility that would be accepted?

Acceptance of that proposition would have meant that the Unions would have signed an agreement which would have given the employees a loss in real money.

Merely to put it in those terms indicates the synthetic nature of that sort of proposition.

As I said, I did not have the slightest intention of going into it, but since the Railways have asked you to scrutinize the conduct of the Unions, I think it is perfectly fair game for me to turn the light on the actions of the Railways.

The strange part of it all is that it is really, as it turns out, germane to the issues before you.

It is difficult for me to say this, because I suppose I have acquired enough years, in terms of age and generally, but you cannot simply say that a Union member meets a very simple description. There are Union members who are in their sixties, and there are Union members who are in their teens or their early twenties. The generation gap which exists right across the board in our society exists within trade unions. And, whether we like it or not, the currents of the day are such that people seem to be committed to the idea of volunteerism: "you are not going to tell me what to do" seems to be the general approach, "and I am not going to do anything I don't want to do."

Therefore, what you can surmise as going through the minds of these Railway employees does become relevant because, if I may say with the greatest of respect, whatever culminates from these proceedings must, in the final analysis, however subtly or unsubtly, be subject to the same test, and it is something that is beyond the control of leaders. These are leaders who do not dictate to people.

I think that the attitude of a certain group of employees, the Railway employees in British Columbia, is very interesting. I suspect that I am not telling you anything that has not already been communicated to you, sir, but the employees of the B. C. Railway—formerly the P.G.E., the Pacific Great Eastern Railway—had always traditionally accepted the same settlements on P.G.E. as were negotiated in these negotiations between the parties before you.

That railway, now the B.C. Railway, had an understanding—there was an understanding that had been entered into and I do not know whether it was written or verbal—that they would abide by the outcome of the settlement between CN and CP, on the one hand, and the Non-Ops, on the other hand.

Agreement Ceased

Several months ago that agreement ceased to exist. The people that I act for are not at all involved in the B.C. Railway, but some of the Unions are—different general chairmen and so on.

They decided that the standby agreement that I have alluded to would no longer have any relevance where the B.C. Railway and their Unions were concerned. They went their own way in terms of negotiations.

If that standby agreement had applied, whatever would have emerged or resulted from these arbitration proceedings would have applied there.

It is strange that one should think of filing exhibits while one is in what has been described as final argument, but, if I may, sir, I would like to file with you a Memorandum of Settlement between the British Columbia Railway Company and the Brotherhood of Maintenance of Way Employees, which is dated October 12, 1973.

THE CHIEF EXECUTIVE OFFICER:

—EXHIBIT NO. 127:

Memorandum of Settlement of Matters in Dispute between British Columbia Railway Company and the Brotherhood of Maintenance of Way Employees, Caribou Lodge 221, Lillooet Lodge 215 and Summit Lodge 252, dated October 12, 1973.

MR. WRIGHT: I would like to invite your attention to the settlement that recently was arrived at there. You will recall that the Brotherhood of Maintenance of Way employees is one of the organizations before you. Here is what they decided:

First of all, their agreement will remain in effect from January 1, 1973, until July 31, 1975. So it is a 31-month contract.

The wage increases provide for:

"(i) Effective January 1, 1973, an increase of thirty-four cents (34¢) per hour, calculated on the basic rates of pay in effect at December 31, 1972 and

(ii) Effective October 1, 1973, an increase of 8%, calculated on the basic rates of pay in effect at September 30, 1973 and

(iii) Effective February 1, 1974, an increase of 8%, calculated on the basic rates of pay in effect at January 31, 1974 and

(iv) Effective February 1, 1975, an increase of 6%, calculated on the basic rates of pay in effect at January 31, 1975."

I will not go into all aspects of it, but I would point out, under the heading of "Vacation" on the second page:

"Entitlement to Annual Vacation shall be revised as follows:

Effective January 1, 1974: After 5 years of service—3 weeks; After 14 years of service—4 weeks; After 24 years of service—5 weeks

Effective January 1, 1975: After 3 years of service—3 weeks; After 11 years of service—4 weeks; After 19 weeks of service—5 weeks

Article VIII provides for negotiations with a view to the integration of extra gangs into the collective agreement of general application to Maintenance of Way employees.

Possibly this is another one of those things that you might consider in terms of the comparisons that have been brought to your attention.

The rates of pay, you will notice, bear, if one goes on the basis of December 31, 1972, very close similarity to the rates of pay in effect on the Railways.

I am merely pointing out to you,

sir, that there is this problem. It is serious. I do not want to appear to be mendacious in the way that I am putting it to you; I am simply trying to be realistic about this.

To Be Continued

Obituaries

Charles M. Banks, former General Chairman Pennsylvania System Grievance Committee, and retired member of Local 102, Penn Central (PRR), passed away recently. He was 83.

Brother Banks retired December 1, 1953 after completing 43 years of service with the Pennsylvania Railroad.

He was an active member of his local serving as local chairman, vice chairman and general chairman.

The officers and members of Local 102 extend their deepest sympathy to the members of his family.

John R. Cahoon, retired member of Local 162, Illinois Central Gulf Railroad (former Illinois Central) passed away recently. He was 71.

Brother Cahoon retired December 1, 1966 after completing 37 years of service with the Illinois Central Railroad. At the time of his retirement he was employed as a signal maintainer at Pickens, Miss.

The officers and members of Local 162 extend their deepest sympathy to his family.

W. O. Epperson, retired member of Local 20, Atchison, Topeka & Santa Fe Railway, passed away May 22, 1973. He was 64.

Brother Epperson retired June 8, 1971 after completing 43 years of service with the AT&SF. At the time of his retirement he was employed as a signal maintainer at Galesburg, Illinois.

The officers and members of Local 20 extend their deepest sympathy to the members of his family.

D. L. Foote, former General Chairman C&NW System Committee, and retired member of Local 130, Chicago & North Western Transportation Company, passed away recently. He was 67.

Brother Foote retired January 1, 1970 after completing 44 years of service with the Chicago and North Western. At the time of his retirement he was employed as a leading maintainer at Des Plaines, Illinois.

He was an active member of his local and served as recording and financial secretary, local chairman, and general chairman.

The officers and members of Local 130 extend their deepest sympathy to the members of his family.

Roy S. Hanson, retired member of Local 76, Penn Central (former N.Y.C.-L.E.) passed away June 5, 1973. He was 70.

After completing 39 years of service with the N.Y.C. he retired on November 1, 1968. At the time of his retirement he was employed as a signal maintainer, S.S.B.G. Gang "C" at Marble Hill, Bronx, NYC, N.Y.

Brother Hanson was Recording Secretary of Local 76 for some years prior to his retirement and served the local well and faithfully.

The officers and members of Local 76 extend their deepest sympathy to his wife and son, Robert.

A. K. Lloyd

James B. Hemphill, retired member of Local 91, Monon Railroad, passed away in September, 1973. He was 79.

James B. Hemphill, better known as "J.B." or "Hempy", was a charter member of Local 91 in which he held several offices before being elected General Chairman in 1937, a position he held for 20 years. He retired in 1959, as signal maintainer at Bedford, Ind., after 45 years of continuous service in the Monon Signal Department.

For several years "Hempy" was Journal correspondent for Local 91. It was his idea that lodge news should be interesting as well as informative. Toward this end he created his character of "The Old Timer."

Brother Hemphill was a member of the American Legion Post 33, the 40 and 8, the Bedford Eagles Lodge and an associate member of F.O.P.

He is survived by his widow, Mrs. Edith Hemphill, 1516 - 21st St., Bedford, Indiana 47421.

The officers and members of Local 91 extend their deepest sympathy to the members of his family.

H. K. Jackson

William Howison, retired member of Local 18, Penn Central (former Pennsylvania Railroad) passed away May 22, 1973. He was 89.

Brother Howison entered the service of the P.R.R. at the age of 20 on March 3, 1905 in the P.T. Division, Philadelphia, Pa. He retired June 30, 1950 after completing over 45 years of service. He was employed as a signalman at Philadelphia when he retired. Brother Howison was a charter member of Local 18.

The officers and members of Local 18 extend their deepest sympathy to his wife, Rebecca C.; a son, Charles E.; and two daughters, Elizabeth F. Diehl and Laura J. Dischert.

John H. Koppe, retired member of Local 146, Penn Central passed away August 6, 1973. He was 73.

Brother Koppe retired December 10, 1965 after completing 42 years of service with the Pennsylvania Railroad. At the time of his retirement he was employed as a C&S maintainer at Logansport, Indiana. Brother Koppe served as recording and financial secretary of Local 146.

He was a veteran of World War II serving in the Army in Africa, Italy, France, and Germany. A 32nd degree Mason, he was a member of the Scottish Rite, the Logansport Shrine Club, and the Orak Temple, Hammond.

He is survived by three sisters, Miss Lillian Koppe, Mrs. Louise McCain, and Mrs. Kathleen Boyer, to whom the officers and members of Local 146 extend their deepest sympathy.

Lionel C. May, retired member of Local 69 Penn Central, passed away recently. He was 81.

Brother May retired November 1, 1957 after completing 29 years of service with the Pennsylvania Railroad. At the time of his retirement he was employed as a signalman at Chicago, Illinois.

The officers and members of Local 69 extend their deepest sympathy to the members of his family.

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L. Opal Best, mother of BofRS director of research, Willis D. Best, passed away Nov. 20, 1973, following a short illness. She was 71. Services were held at Fisher Mortuary, Logansport, IN, with interment at Ever Rest Memorial Gardens there.

Mrs. Best was born Mar. 26, 1902 at Jonesboro, IN, the daughter of Elmer and Myrtle Gillespie. She was preceded in death by her husband Walter in 1961.

She is survived by two daughters, Mrs. Barbara Dillman of Clymers, IN, and Mrs. Jean McArthy of Houston, TX; three sons, Arthur R. of Eighty-Four, PA, near Pittsburgh; Jack L. of Logansport, and Willis D. of Elk Grove Village, IL; two sisters, Mrs. Hazel Adams of Tampa, FL, and Mrs. Marie Bannon of Logansport; one brother, Russell E. Gillespie of Clearwater, FL; 15 grandchildren and one great-grandchild.

Brother Best wishes to express sincere thanks to the many friends, brothers and associates who extended sympathy so generously to him and his family during their sorrow.

Grand Lodge officers and Headquarters staff extend their deepest sympathy.

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